

IRS News Release

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IRS Seeks New Issues for the Industry Issue Resolution Program

IR-2008-93, August 7, 2008

WASHINGTON — Businesses and associations have until Aug. 31 to submit tax issues to the Internal Revenue Service to be included in the Fall 2008 review in the Industry Issue Resolution (IIR) Program.

IIR is an IRS program to resolve business tax issues common to significant numbers of taxpayers through new and improved guidance. In past years, issues submitted by associations and others representing both small and large business taxpayers, resulted in tax guidance that has affected thousands of taxpayers.

Recent submissions accepted into the IIR program include:

- Integrated Public Utilities - regarding an optional method to be used by integrated utility companies in computing their qualified production activities income under IRC section 199(c).
- Auto Last In First Out - for automobile wholesalers, manufacturers and dealers regarding the proper treatment of the dollar-value, LIFO inventory method for pooling purposes of crossover vehicles, which have characteristics of trucks and cars.

Recent guidance issued as a result of the IIR program includes:

- A safe harbor pooling method, the Vehicle-Pool Method, is available for resellers of cars and light-duty trucks under the last-in, first out (LIFO) inventory method effective for tax years ending on or after December 31, 2007, (Revenue Procedure 2008-23).
- Valuation of Parts Inventory by Heavy Equipment Distributors (Revenue Procedure 2006-14)
- Clarification regarding circumstances when facsimile signatures may be used to sign employment tax forms. (Revenue Procedure 2005-39)
- Explanation of the circumstances under which insurance companies that make incentive payments to health care providers will be permitted to include those payments in unpaid losses. The revenue procedure also provides procedures under which taxpayers may obtain automatic consent of the Commissioner to change their accounting method for those payments. (Revenue Procedure 2004-41)

IR-2008-xx, August xx, 2008

For each issue selected, an IIR team of IRS and Treasury personnel gather relevant facts from taxpayers or other interested parties affected by the issue. The goal is to recommend guidance to resolve the issue. This benefits both taxpayers and the IRS by saving time and expense that would otherwise be expended on resolving the issue through examinations. IIR project selections are based on the criteria set forth in [Revenue Procedure 2003-36](#).

Requests for guidance on tax issues under the IIR program can be submitted at any time to IIR@irs.gov. Submissions received are reviewed semi-annually with selections next being made from issues submitted by August 31, 2008.